GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:2694
ANSWERED ON:15.12.2015
Farmer Producer Organisations
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the number of Farmer Producer Organisations (FPOs) currently active in the country;

(b) whether the Government has a policy to promote FPOs;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): As per data available from Small Farmers Agribusiness Consortium (SFAC), as on date, 381 Farmer Producer Organisations (FPOs) are registered while 306 FPOs are under the process of registration.

(b) to (d): Small Farmers Agri-Business Consortium (SFAC) was mandated by Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW) to support the State Governments in the formation of Farmer Producer Organizations (FPOs). The initiative which started in 2011-12 under the two Central Sector Schemes of Vegetable Initiative for Urban Clusters (VIUC) and Integrated Development of 60,000 Pulses Villages in Rainfed Areas has expanded in its scope and covers special FPO projects taken up by some State Governments under general Rashtriya Krishi Vikas Yojana (RKVY) funds as well as under the National Demonstration Project under the National Food Security Mission (NFSM) and Mission for Integrated Development of Horticulture (MIDH).

In order to support the FPOs in terms of strengthening their capital base, SFAC has launched a Central Sector Scheme "Equity Grant and Credit Guarantee Fund Scheme for Farmers Producer Companies" on 1st January, 2014. The Scheme has two major components:

a) Equity Grant Scheme: A grant of upto Rs.10.00 lakh is provided to each registered Farmer Producer Company (which is registered under the special provision of the Companies Act) to match the member equity raised by the institution. This will enhance the equity base of the FPC and enable it to approach financial institutions for raising working capital.

b) Credit Guarantee Fund (CGF): The CGF offers a cover of 85% to loans extended by banks to Farmers Producer Companies without collateral, upto a maximum of Rs.1.00 crore.
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